

HOUSE BILL NO. 198

IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-SECOND LEGISLATURE - FIRST SESSION

BY REPRESENTATIVE HUDSON

Introduced: 3/19/01

Referred: State Affairs, Finance

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to a post-retirement pension adjustment and cost-of-living allowance**
2 **for persons receiving benefits under the Elected Public Officers Retirement System; and**
3 **increasing the compensation of the governor."**

4 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

5 * **Section 1.** AS 39.20.010(a) is amended to read:

6 (a) **Through June 30, 2001, the** [THE] annual salary of the governor is
7 \$81,648. **Effective July 1, 2001, the annual salary of the governor is \$110,000.**

8 * **Sec. 2.** AS 39.20.010(c) is amended to read:

9 (c) Effective July 1, 2002, the **larger** amount set out in (a) of this section [, AS
10 INCREASED UNDER (b) OF THIS SECTION,] is increased by three percent.

11 * **Sec. 3.** AS 39.20.010(b) is repealed.

12 * **Sec. 4.** The uncodified law of the State of Alaska is amended by adding a new section to
13 read:

14 **ELECTED PUBLIC OFFICERS RETIREMENT SYSTEM POST-RETIREMENT**

1 PENSION ADJUSTMENT. (a) Beginning July 1, 2001, once each year, the administrator
2 shall increase benefit payments to eligible disabled members of the system under former
3 AS 39.37 (elected public officers retirement system), to persons 60 years of age or older
4 receiving benefits under the system in the preceding calendar year, and to persons who have
5 received benefits under the system for at least five years who are not otherwise eligible for an
6 increase under this section.

7 (b) The increase in benefit payments applies to total benefit payments, except for the
8 cost-of-living allowance under sec. 5 of this Act.

9 (c) For the fiscal year beginning July 1, 2001, the amount of the increase is a
10 percentage of the current benefit equal to

11 (1) 75 percent of the increase in the cost of living since the recipient began
12 receiving benefits under the system, for recipients who, on July 1, are at least 65 years of age
13 and for members receiving disability benefits; and

14 (2) 50 percent of the increase in the cost of living since the recipient began
15 receiving benefits under the system, for recipients who, on July 1, are at least 60 but less than
16 65 years of age or for recipients who are less than 60 years of age on July 1 but who have
17 received benefits from the system for at least five years.

18 (d) Beginning July 1, 2002, the amount of the increase is a percentage of the current
19 benefit equal to

20 (1) the lesser of 75 percent of the increase in the cost of living in the preceding
21 calendar year or nine percent, for recipients who, on July 1, are at least 65 years of age and for
22 members receiving disability benefits; and

23 (2) the lesser of 50 percent of the increase in the cost of living in the preceding
24 calendar year or six percent, for recipients who, on July 1, are at least 60 but less than 65
25 years of age or for recipients who are less than 60 years of age on July 1 but who have
26 received benefits from the system for at least five years.

27 (e) If a recipient was not receiving benefits during the entire preceding calendar year,
28 the increase in benefits under this section shall be adjusted by multiplying it by the fraction
29 whose numerator is the number of months for which benefits were received in the preceding
30 calendar year and whose denominator is 12.

31 (f) If, at the time of first receiving a retirement benefit, a member was receiving a

1 disability benefit under the system, the administrator shall, at the time the member is
 2 appointed to retirement, increase the retirement benefit by a percentage equal to the total
 3 cumulative percentage increase that has been applied to the member's disability benefit under
 4 this section.

5 (g) When computing a survivor's benefit under former AS 39.37.060, adjustments
 6 granted to the deceased member or survivor under this section shall be included.

7 (h) An increase in benefit payments under this section is effective July 1 of each year
 8 and is based on the percentage increase in the consumer price index for urban wage earners
 9 and clerical workers for Anchorage, Alaska, during the previous calendar year, as determined
 10 by the United States Department of Labor, Bureau of Labor Statistics.

11 * **Sec. 5.** The uncodified law of the State of Alaska is amended by adding a new section to
 12 read:

13 **ELECTED PUBLIC OFFICERS RETIREMENT SYSTEM COST-OF-LIVING**
 14 **ALLOWANCE.** (a) While residing in the state, a person receiving a benefit under former
 15 AS 39.37 (elected public officers retirement system) who is 65 years of age or older or who is
 16 receiving a disability benefit is entitled to receive a monthly cost-of-living allowance in
 17 addition to the basic benefit. The amount of this allowance is \$50 or 10 percent of the
 18 person's basic benefit, whichever is greater.

19 (b) A person receiving a cost-of-living allowance under this section shall notify the
 20 administrator when the person expects to be absent from the state for a continuous period that
 21 exceeds 90 days. After that notification, the person is no longer entitled to receive the
 22 monthly cost-of-living allowance, except that a person may be absent from the state for not
 23 more than six months without loss of the cost-of-living allowance if the absence is the result
 24 of illness and required by order of a licensed physician. Upon returning to the state, and upon
 25 notification to the administrator, the person is again entitled to receive the monthly cost-of-
 26 living allowance, commencing with the first monthly benefit payment made after notification
 27 of the person's return.

28 (c) For purposes of this section, "residing in the state" means domiciled and
 29 physically present in the state. Being absent from the state for a continuous period of 90 days
 30 or less or six months or less when ordered by a physician does not change a person's status as
 31 "residing in the state."

1 * **Sec. 6.** The uncodified law of the State of Alaska is amended by adding a new section to
2 read:

3 DEFINITIONS FOR SECS. 4 AND 5 OF THIS ACT. In secs. 4 and 5 of this Act,
4 "system" means the elected public officers retirement system under former AS 39.37.